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CENTRAL INTELLIGENCE AGENCY

REPORT NO.

INFORMATION REPORT

CD NO.

25X1A

COUNTRY Germany (Russian Zone)

CONFIDENTIAL

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SUBJECT Five-Year Plan Production Figures
25X1A

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SUPPLEMENT TO
REPORT NO.

1. The attachment lists the planned price figures in millions of D Mark East for the scheduled production under the DDR Five-Year Plan. *
2. The planned prices (Plan- or Messwerte) given in the attachment are based on the official 1944 price scale as contained in the Warenverzeichnis. The individual plants, however, have been instructed to plan their production for 1952 both on the basis of prices as of 1 January 1950, as well as of 1944. **
3. In 1952, for the first time, producing plants will be required to submit their own plans. The State Planning Commission will issue the so-called Kontrollzahlen (the D Mark East value of planned production) to the DDR ministries concerned. The ministries, in turn, will prorate production requirements among the plants under their jurisdiction. The plants will then submit their production schedules to the DDR ministry controlling them. These schedules will indicate the maximal production capacity of the plant, which either will fail to meet or will exceed its Kontrollzahl. In the event a plant is unable to meet its Kontrollzahl, a capital investment will be requested, and the plant will indicate in its schedule the size of its capital requirements. Under this new system, production plans will become closely related to existing production capacities and will not merely reflect the wishful thinking of some high-level planners. The system will furthermore serve to exploit production capacities to the utmost.
4. The figures given for the various Länder are related to a very insignificant segment of the total production capacity of the DDR. The Länder governments have ceded to the DDR ministries jurisdiction over most of the industries in their territories. The remaining producing units are some of the small local industries and the so-called communal industries. Their insignificance can be gauged by the fact that the plan figure applying to them has not been broken down into industrial branches.
5. A notable feature of the Five Year Plan is that it does not call for drastic reductions in the private industrial sector, shown as "Sonstige" (others) in the attachment. In fact, the projected value of production actually increases. ***

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* Comment: These figures were extracted from the most recent version of the Five Year Plan as approved by the Soviet Control Commission.

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** Comment: DDR production statistics released for publication will henceforth show the inflated 1950 prices and will thus convey the erroneous impression of a hugely increased production.

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*** Comment: The Soviets have noted this trend and have expressed strong disapproval. Inasmuch, however, as the Five Year Plan has recently been approved by the Soviet Control Commission, there is very little that can be done to reverse the trend.

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